

Ross E. Eisenberg

Vice President

Energy & Resources Policy

August 1, 2013

United States House of Representatives
Washington, DC 20515

Dear Representative:

The National Association of Manufacturers (NAM), the nation's largest industrial trade association representing over 12,000 small, medium and large manufacturers in every industrial sector and in all 50 states, supports an amendment by Rep. Steve Scalise (R-LA) to H.R. 367 which would require Congressional approval before the implementation of any rule that imposes a tax on carbon emissions.

Earlier this year the NAM released an economic study performed by NERA Economic Consulting that measures the potential impacts of a carbon tax on the U.S. economy. NERA modeled both a \$20 per ton carbon tax increasing at 4 percent and a stricter tax designed to achieve 80 percent reductions in domestic carbon dioxide (CO₂) emissions. In both scenarios, a carbon tax was bad for the economy and would have a negative effect on jobs, energy costs and industrial output.

NERA concluded that the increased costs of coal, natural gas and petroleum products due to a carbon tax would ripple through the economy, resulting in higher production costs, less spending on non-energy goods, fewer jobs and slower economic growth. Nationally, a carbon tax designed to reduce CO₂ levels by 80 percent could place tens of millions of jobs at risk and raise gasoline prices by over \$10 a gallon, natural gas prices by almost \$60 per MMBtu, and residential electricity prices by over 40 percent. NERA also found that a carbon tax would have a negative impact on manufacturing output. In energy-intensive sectors manufacturing output could drop by as much as 15.0 percent and in non-energy-intensive sectors by as much as 7.7 percent. The overall impact on jobs would be substantial, with a loss of worker income equivalent to between 1.3 million and 1.5 million jobs in 2013 and between 3.8 million and 21 million by 2053.

Manufacturers consume one-third of all energy consumed in the U.S. and have serious concerns with any policy that substantially increases the cost of energy, the lifeblood of manufacturing. Therefore, the NAM urges your support for the Scalise amendment.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Eisenberg", is placed over a light yellow rectangular background.

Ross Eisenberg
Vice President
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